

**EUDORA UNIFIED SCHOOL DISTRICT NO. 491**

**Eudora, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2013**

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EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Financial Statements  
For the Year Ended June 30, 2013

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 – 11
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	12
SCHEDULE 2	
Schedule of Cash Receipts and Expenditures - Actual and Budget and Actual Only	
General Fund	13
Supplemental General Fund	14
At Risk (K-12) Fund	15
Bilingual Education Fund	16
Capital Outlay Fund	17
Driver Training Fund	18
Food Service Fund	19
Professional Development Fund	20
Parent Education Fund	21
Special Education Fund	22
Vocational Education Fund	23
Gifts and Grants Fund	24
KPERS Special Retirement Contribution Fund	25
Federal Grant Funds	26
Contingency Reserve Fund	27
Textbook and Student Material Revolving Fund	28
Bond and Interest Fund #1	29
Bond and Interest Fund #2	30
SCHEDULE 3	
Summary of Receipts and Disbursements	
Agency Funds	31 - 32

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Financial Statements  
For the Year Ended June 30, 2013

Table of Contents  
(Continued)

	<u>Page Number</u>
SCHEDULE 4	
Schedule of Receipts, Expenditures and Unencumbered Cash District Activity Funds	33
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	34
Notes to the Schedule of Expenditures of Federal Awards	35
Schedule of Findings and Questioned Costs	36 - 37
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"	38 - 39
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	40 - 41

## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Eudora Unified School District No. 491  
Eudora, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Eudora Unified School District No. 491, (the District), as of and for the year ended June 30, 2013 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Eudora Unified School District No. 491, Eudora, Kansas, as of June 30, 2013, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

#### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District, as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

#### *Other Matters*

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory cash receipts and expenditures-actual and budget, schedule of regulatory receipts and expenditures-agency funds, and the schedule of regulatory receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2012, from which such partial information was derived. In our report dated October 5, 2012 on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas regulatory basis of accounting.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with "Government Auditing Standards", we have also issued our report dated October 10, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the District's internal control over financial reporting and compliance.

*Mike Houser: Company PA*

October 10, 2013

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2013

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds							
General	\$ -	\$ -	\$ 8,962,856	\$ 8,962,856	\$ -	\$ -	\$ -
Supplemental General	103,255	-	2,992,303	2,978,595	116,963	-	116,963
Special Purpose Funds							
At Risk (K-12)	250,000	-	1,067,643	1,067,643	250,000	-	250,000
Bilingual Education	5,000	-	62,016	62,016	5,000	-	5,000
Capital Outlay	530,770	-	496,158	764,577	262,351	-	262,351
Driver Training	3,936	-	15,110	17,403	1,643	-	1,643
Food Service	105,428	-	732,595	760,090	77,933	-	77,933
Professional Development	3,000	-	17,920	17,920	3,000	-	3,000
Parent Education	3,000	-	11,300	11,300	3,000	-	3,000
Special Education	422,564	-	2,154,238	2,240,026	336,776	-	336,776
Vocational Education	180,000	-	638,399	638,399	180,000	-	180,000
Gifts and Grants	26,054	-	95,635	52,579	69,110	-	69,110
KPERs Special Retirement Contribution	-	-	761,985	761,985	-	-	-
Federal Grant	-	-	1,891,068	1,891,068	-	-	-
Contingency Reserve	229,500	-	-	-	229,500	-	229,500
Textbook and Student Material Revolving	41,910	-	47,382	48,913	40,379	-	40,379
District Activity	85,370	-	164,223	234,776	14,817	-	14,817
Debt Service Fund:							
Bond and Interest #1	1,547,837	-	2,984,424	3,074,138	1,458,123	-	1,458,123
Bond and Interest #2	807	-	-	807	-	-	-
<b>Total</b>	<b>\$ 3,538,431</b>	<b>\$ -</b>	<b>\$ 23,095,255</b>	<b>\$ 23,585,091</b>	<b>\$ 3,048,595</b>	<b>\$ -</b>	<b>\$ 3,048,595</b>

Composition of Cash:

Kaw Valley State Bank	
Checking Accounts	\$ 641,425
Money Market	74,913
Douglas County Bank	
Money Market	<u>2,477,724</u>
Cash Balance	3,194,062
Less: Agency Funds per Schedule 3	<u>[145,467]</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,048,595</u>

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Eudora Unified School District No. 491 (the District) is a municipal corporation governed by an elected seven-member board.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no related municipal entities that are included in the District's reporting entity.

Basis of Accounting

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.



EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

The following types of funds comprise the financial activities of the District for the year ended June 30, 2013:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Fiduciary Fund - used to report assets held in a trustee or agency capacity for others and which therefore cannot be sued to support the government's own programs (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2013.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds: Textbook and Student Material Revolving, Contingency Reserve, and District Activities.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Expenditures in the amount of \$189,572 and \$5,789 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. The related disbursement was made in the current year on behalf of the payee,
2. The item paid for was directly identifiable as having been used by or provided to the payee, and
3. The amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Ad Valorem Tax Revenues

The determination of assessed valuations and collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

*Deposits.* K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

*Investments.* K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 2 - Deposits and Investments (Continued)

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District's designated "peak periods" are from January 1 through February 28, April 16 through April 17, May 1 through May 15, and June 15 through July 10 at Kaw Valley Bank, and January 20 through February 13, May 1 through May 18, and June 5 through July 31 at Douglas County Bank. All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's bank balance was \$3,494,110. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$2,994,110 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

*Substance receipt in transit.* The District received \$711,770 in General State Aid and \$81,688 in Supplemental General State Aid subsequent to June 30, 2013 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2013.

NOTE 3 - Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding
General Obligation Bonds:				
Series 2008-A	\$ 11,250,000	\$ -	\$ -	\$ 11,250,000
Series 2009-A	11,250,000	-	-	11,250,000
Series 2009-B	5,235,000	-	235,000	5,000,000
Series 2009-C	5,500,000	-	-	5,500,000
Series 2010-A	13,875,000	-	25,000	13,850,000
Series 2011-A	6,655,000	-	-	6,655,000
Series 2012	6,495,000	-	-	6,495,000
Total General Obligation Bonds	<u>60,260,000</u>	<u>-</u>	<u>260,000</u>	<u>60,000,000</u>
Capital Leases:				
TAC Energy Conservation Program	<u>1,399,725</u>	<u>-</u>	<u>187,457</u>	<u>1,212,268</u>
Total Capital Leases	<u>1,399,725</u>	<u>-</u>	<u>187,457</u>	<u>1,212,268</u>
Total Long Term Debt	<u>\$ 61,659,725</u>	<u>\$ -</u>	<u>\$ 447,457</u>	<u>\$ 61,212,268</u>

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 3 - Long-Term Debt (Continued)

The following is a detailed listing of the District's general obligation bonds:

	Interest <u>Rates</u>	Date of <u>Issue</u>	Amount of <u>Issue</u>	Current Balance <u>Outstanding</u>	Date of Final <u>Maturity</u>
General Obligation Bonds:					
Series 2008-A	4.00 to 5.50%	3/1/2008	\$ 11,250,000	\$ 11,250,000	9/1/2029
Series 2009-A	3.00 to 5.50%	4/1/2009	11,250,000	11,250,000	9/1/2029
Series 2009-B	3.00 to 5.25%	8/1/2009	5,490,000	5,000,000	9/1/2025
Series 2009-C	6.625%	8/1/2009	5,500,000	5,500,000	9/1/2029
Series 2010-A	2.00 to 5.50%	2/1/2010	13,875,000	13,850,000	9/1/2029
Series 2011-A	4.00 to 5.00%	2/1/2011	6,655,000	6,655,000	9/1/2029
Series 2012	2.00 to 2.50%	6/5/2012	6,495,000	6,495,000	9/1/2022
			<u>\$ 60,515,000</u>	<u>\$ 60,000,000</u>	

In a November 6, 2007 election, District voters approved the issuance of general obligation bonds in an amount not to exceed \$45,000,000 in order to fund District improvements, including: to construct, furnish and equip a new grade 1 to 5 elementary school, additional space at the existing middle school, auditorium and additional space at the existing high school, a new technology education center, and a new physical education and athletic complex; make other improvements for technology and safety; acquire technology and energy conservation equipment; and make other necessary improvements.

On March 1, 2008, the District issued \$11,250,000 in Series 2008A General Obligation Bonds, with maturity dates of September 1, 2014 through September 1, 2029, and interest rates from 4% to 5.5%. The purpose of the Series 2008A Bonds is to pay for District improvements. Interest on the 2008A Bonds is due semi-annually on March 1 and September 1.

On April 1, 2009, the District issued \$11,250,000 in Series 2009A General Obligation Bonds, with original maturity dates of September 1, 2014 through September 1, 2029, and interest rates from 3% to 5.5%. The purpose of the Series 2009A bonds is to pay for District improvements. Interest on the Series 2009A Bonds is due semi-annually on March 1 and September 1.

On August 1, 2009, the District issued \$5,490,000 in Series 2009-B General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2011 through September 1, 2025, and interest rates from 3% to 5.25%. The purpose of the Series 2009-B Bonds was to pay in full the Series 2007 General Obligation Temporary Notes and to pay in full the outstanding bonds for the Series 2001 General Obligation Bonds. Interest on the Series 2009-B Bonds is paid semi-annually on March 1 and September 1.

On August 1, 2009, the District issued \$5,500,000 in Series 2009-C General Obligation School Building Bonds (Build America Bonds), with a maturity date of September 1, 2029 and an interest rate of 6.625%. The purpose of the Series 2009-C Bonds is to pay for District improvements. Interest on the Series 2009-C Bonds is paid semi-annually on March 1 and September 1. The American Recovery and Reinvestment Act of 2009 created the Build America Bond program which allows the District to receive a direct federal subsidy equal to 35% of their interest costs.

On February 1, 2010, the District issued \$13,875,000 in Series 2010-A General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2012 through September 1, 2029 and interest rates from 2% to 5.5%. The purpose of the Series 2010-A Bonds was to pay in full the outstanding bonds for the Series 2001 General Obligation Bonds and to pay in full the outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2010-A Bonds is paid semi-annually on March 1 and September 1.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 3 - Long-Term Debt (Continued)

On March 1, 2011, the District issued \$6,655,000 in Series 2011-A General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2020 through September 1, 2029 and interest rates from 4% to 5%. The purpose of the Series 2011-A Bonds was to pay in full the Series 2009-1 General Obligation Temporary Notes and to pay in full the outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2011-A Bonds is paid semi-annually on March 1 and September 1.

On June 5, 2012, the District issued \$6,495,000 in Series 2012 General Obligation Refunding Bonds, with maturity dates of September 1, 2014 through September 1, 2022 and interest rates of 2% to 2.5%. The purpose of the Series 2012 Bonds was to pay in full the remaining outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2012 Bonds is paid semi-annually on March 1 and September 1.

The following are the annual debt service requirements to maturity for the above long-term debt:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 400,000	\$ 2,803,674	\$ 3,203,674
2015	995,000	2,787,005	3,782,005
2016	1,195,000	2,760,230	3,955,230
2017	1,425,000	2,724,874	4,149,874
2018	1,685,000	2,679,149	4,364,149
2019 - 2023	13,880,000	12,187,084	26,067,084
2024 - 2028	25,490,000	7,799,863	33,289,863
2029 - 2030	14,930,000	832,400	15,762,400
Total	<u>\$60,000,000</u>	<u>\$ 34,574,278</u>	<u>\$94,574,278</u>

Legal Debt Margin – The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

The District has entered into a long-term agreement for energy conservation programs with TAC Americas, Inc. The agreement provides for the installation of TAC Vista Energy Management Systems in the District's schools for the purpose of increasing efficiency and decreasing energy costs. The agreement calls for annual payments in November of each year with the last payment scheduled for November 1, 2019.

The following is the annual debt service requirement to maturity for the long term lease agreement:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 163,189	\$ 30,945	\$ 194,135
2015	161,900	32,235	194,135
2016	166,874	27,260	194,135
2017	171,940	22,194	194,135
2018	177,285	16,850	194,135
2019 - 2020	371,080	17,190	388,269
Total	<u>\$ 1,212,268</u>	<u>\$ 146,674</u>	<u>\$ 1,358,942</u>

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 4 - Interfund Transfers

Transfers are approved by the Board of Education and are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 1,470,056
Supplemental General Fund	-	2,169,879
At Risk (K-12) Fund	1,010,005	-
Bilingual Education Fund	62,016	-
Professional Development Fund	17,920	-
Parent Education Fund	11,300	-
Special Education Fund	2,122,579	-
Vocational Education Fund	416,115	-
Total	<u>\$ 3,639,935</u>	<u>\$ 3,639,935</u>

NOTE 5 - Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share.

NOTE 6 – Compensated Absences

The District's policies regarding vacation pay permit full-time classified employees to accumulate vacation days as follows:

<u>Years of Service</u>	<u>Days Per Year</u>
1 - 5	12
6 - 10	15
11 - 15	18
16 or more	21

Unused vacation to be carried over at the end of the year may not exceed 10 days. The total possible accumulation of unused vacation is 31 days.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2013

NOTE 6 – Compensated Absences (Continued)

The District's leave policies are as follows:

**Classified Employees** – Classified employees earn leave at the rate of one day for each month of service. Employees with 35 or more days of accumulated leave may, at their option, be paid for unused current leave days at the rate of \$20 per day and will be paid at the conclusion of each school year.

Classified employees terminating their employment will be paid based on their ending daily rate for each day of adjusted accumulated leave, but only to the limit of accumulation their job allows.

**Certified Personnel** – A teacher with at least 15 years experience within U.S.D. No. 491 will receive payment for all accumulated leave days at \$75 per day upon leaving the District's employment.

Each teacher shall have the option of receiving payment for unused current leave or the teacher may transfer one or more days of the unused leave to his or her personal leave account. Payment for unused leave shall be \$50 per day.

The estimated unused compensated absences at June 30, 2013 is \$240,379.

NOTE 7 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2013.

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

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EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:						
General Funds						
General	\$ 8,773,284	\$ [209,939]	\$ 189,572	\$ 8,962,856	\$ 8,962,856	\$ -
Supplemental General	3,035,536	[62,730]	5,789	2,978,595	2,978,595	-
Special Purpose Funds:						
At Risk (K-12)	1,172,723	-	-	1,172,723	1,067,643	105,080
Bilingual Education	63,350	-	-	63,350	62,016	1,334
Capital Outlay	1,917,720	-	-	1,917,720	764,577	1,153,143
Driver Training	24,786	-	-	24,786	17,403	7,383
Food Service	903,002	-	-	903,002	760,090	142,912
Professional Development	18,000	-	-	18,000	17,920	80
Parent Education	14,300	-	-	14,300	11,300	3,000
Special Education	2,739,790	-	-	2,739,790	2,240,026	499,764
Vocational Education	847,288	-	-	847,288	638,399	208,889
Gifts and Grants	126,054	-	-	126,054	52,579	73,475
KPERs Special Retirement Contribution	857,051	-	-	857,051	761,985	95,066
Federal Grant	2,033,948	-	-	2,033,948	1,891,068	142,880
Debt Service Fund:						
Bond and Interest #1	3,084,851	-	-	3,084,851	3,074,138	10,713
Bond and Interest #2	1,807	-	-	1,807	807	1,000

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
General Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,045,160	\$ 1,014,707	\$ 969,534	\$ 45,173
Delinquent taxes	13,192	12,507	18,325	[5,818]
Federal grants	4,634	6,000	-	6,000
State aid	6,985,108	6,300,200	6,333,744	[33,544]
State special education aid	1,323,509	1,445,870	1,661,620	[215,750]
Reimbursements	154,822	183,572	-	183,572
Total Cash Receipts	<u>9,526,425</u>	<u>8,962,856</u>	<u>\$ 8,983,223</u>	<u>\$ [20,367]</u>
Expenditures				
Instruction	4,213,467	4,274,601	\$ 4,171,796	\$ [102,805]
Student support services	443,701	440,879	426,920	[13,959]
Instructional support staff	254,633	260,945	259,278	[1,667]
General administration	214,703	200,138	222,300	22,162
School administration	449,729	476,414	499,917	23,503
Operations and maintenance	1,260,682	1,339,498	1,247,582	[91,916]
Transportation	396,678	380,797	378,619	[2,178]
Other support services	133,338	119,528	115,191	[4,337]
Transfers out	1,323,509	1,470,056	1,661,620	191,564
Adjustments to comply with legal max	-	-	[209,939]	[209,939]
Adjustments for qualifying budget credits	-	-	189,572	189,572
Total Expenditures	<u>8,690,440</u>	<u>8,962,856</u>	<u>\$ 8,962,856</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	835,985	-		
Unencumbered Cash, Beginning	<u>[835,985]</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Supplemental General Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,212,861	\$ 1,298,910	\$ 1,339,195	\$ [40,285]
Delinquent taxes	16,296	14,781	21,263	[6,482]
Motor vehicle taxes	140,869	148,801	146,827	1,974
Recreational vehicle taxes	2,141	2,142	2,057	85
Big truck tax	2,861	2,390	-	2,390
State aid	1,685,167	1,519,490	1,571,193	[51,703]
Miscellaneous receipts	10,411	5,789	-	5,789
Total Cash Receipts	<u>3,070,606</u>	<u>2,992,303</u>	<u>\$ 3,080,535</u>	<u>\$ [88,232]</u>
Expenditures				
Instruction	381,239	476,999	\$ 511,303	\$ 34,304
Student support services	6,035	10,000	9,900	[100]
Instructional support staff	154,964	166,368	190,550	24,182
General administration	123,079	52,425	183,516	131,091
Operations and maintenance	190,311	100,628	110,000	9,372
Other support services	2,789	2,296	10,000	7,704
Transfers out	2,056,472	2,169,879	2,020,267	[149,612]
Adjustments to comply with legal max	-	-	[62,730]	[62,730]
Adjustments for qualifying budget credits	-	-	5,789	5,789
Total Expenditures	<u>2,914,889</u>	<u>2,978,595</u>	<u>\$ 2,978,595</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	155,717	13,708		
Unencumbered Cash, Beginning	<u>[52,462]</u>	<u>103,255</u>		
Unencumbered Cash, Ending	<u>\$ 103,255</u>	<u>\$ 116,963</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
At Risk (K-12) Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Miscellaneous	\$ 11,069	\$ 57,638	\$ -	\$ 57,638
Transfers in	<u>1,020,941</u>	<u>1,010,005</u>	<u>922,723</u>	<u>87,282</u>
Total Cash Receipts	<u>1,032,010</u>	<u>1,067,643</u>	<u>\$ 922,723</u>	<u>\$ 144,920</u>
Expenditures				
Instruction	<u>1,032,010</u>	<u>1,067,643</u>	<u>\$ 1,172,723</u>	<u>\$ 105,080</u>
Total Expenditures	<u>1,032,010</u>	<u>1,067,643</u>	<u>\$ 1,172,723</u>	<u>\$ 105,080</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>250,000</u>	<u>250,000</u>		
Unencumbered Cash, Ending	<u>\$ 250,000</u>	<u>\$ 250,000</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Bilingual Education Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 56,679	\$ 62,016	\$ 58,350	\$ 3,666
Total Cash Receipts	<u>56,679</u>	<u>62,016</u>	<u>\$ 58,350</u>	<u>\$ 3,666</u>
Expenditures				
Instruction	<u>56,679</u>	<u>62,016</u>	<u>\$ 63,350</u>	<u>\$ 1,334</u>
Total Expenditures	<u>56,679</u>	<u>62,016</u>	<u>\$ 63,350</u>	<u>\$ 1,334</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>5,000</u>	<u>5,000</u>		
Unencumbered Cash, Ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Capital Outlay Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property tax	\$ 451,475	\$ 335,442	\$ 316,281	\$ 19,161
Delinquent tax	4,880	4,954	7,937	[2,983]
Motor vehicle tax	31,673	52,576	52,003	573
Recreational vehicle tax	509	760	729	31
Big truck tax	619	819	-	819
Miscellaneous revenue	123,838	98,437	1,000,000	[901,563]
Investment income	8,549	3,170	10,000	[6,830]
Total Cash Receipts	<u>621,543</u>	<u>496,158</u>	<u>\$ 1,386,950</u>	<u>\$ [890,792]</u>
Expenditures				
Instruction	9,300	261,417	\$ 350,000	\$ 88,583
Instructional support staff	113,690	123,045	109,000	[14,045]
School administration	300	9,097	-	[9,097]
Operations and maintenance	2,750	15,999	65,000	49,001
Transportation	151,405	84,915	190,000	105,085
Facilities acquisition and construction	202,155	270,104	300,740	30,636
Building improvements	-	-	902,980	902,980
Total Expenditures	<u>479,600</u>	<u>764,577</u>	<u>\$ 1,917,720</u>	<u>\$ 1,153,143</u>
Receipts Over [Under] Expenditures	141,943	[268,419]		
Unencumbered Cash, Beginning	<u>388,827</u>	<u>530,770</u>		
Unencumbered Cash, Ending	<u>\$ 530,770</u>	<u>\$ 262,351</u>		

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Driver Training Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 3,854	\$ 5,952	\$ 5,850	\$ 102
Miscellaneous receipts	<u>12,672</u>	<u>9,158</u>	<u>15,000</u>	<u>[5,842]</u>
Total Cash Receipts	<u>16,526</u>	<u>15,110</u>	<u>\$ 20,850</u>	<u>\$ [5,740]</u>
Expenditures				
Instruction	16,268	15,133	\$ 22,381	\$ 7,248
Vehicle operating and maintenance	<u>1,819</u>	<u>2,270</u>	<u>2,405</u>	<u>135</u>
Total Expenditures	<u>18,087</u>	<u>17,403</u>	<u>\$ 24,786</u>	<u>\$ 7,383</u>
Receipts Over [Under] Expenditures	[1,561]	[2,293]		
Unencumbered Cash, Beginning	<u>5,497</u>	<u>3,936</u>		
Unencumbered Cash, Ending	<u>\$ 3,936</u>	<u>\$ 1,643</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Food Service Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Federal aid	\$ 350,566	\$ 354,721	\$ 348,868	\$ 5,853
State aid	8,123	9,353	7,690	1,663
Charges for services	374,690	360,714	421,016	[60,302]
Miscellaneous	<u>10,464</u>	<u>7,807</u>	<u>20,000</u>	<u>[12,193]</u>
Total Cash Receipts	<u>743,843</u>	<u>732,595</u>	<u>\$ 797,574</u>	<u>\$ [64,979]</u>
Expenditures				
Operation and maintenance	63,672	80,237	\$ 151,697	\$ 71,460
Food service operation	<u>649,743</u>	<u>679,853</u>	<u>751,305</u>	<u>71,452</u>
Total Expenditures	<u>713,415</u>	<u>760,090</u>	<u>\$ 903,002</u>	<u>\$ 142,912</u>
Receipts Over [Under] Expenditures	30,428	[27,495]		
Unencumbered Cash, Beginning	<u>75,000</u>	<u>105,428</u>		
Unencumbered Cash, Ending	<u>\$ 105,428</u>	<u>\$ 77,933</u>		



EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Professional Development Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 12,959	\$ 17,920	\$ 15,000	\$ 2,920
Miscellaneous	123	-	-	-
Total Cash Receipts	<u>13,082</u>	<u>17,920</u>	<u>\$ 15,000</u>	<u>\$ 2,920</u>
Expenditures				
Instructional support services	<u>13,082</u>	<u>17,920</u>	<u>\$ 18,000</u>	<u>\$ 80</u>
Total Expenditures	<u>13,082</u>	<u>17,920</u>	<u>\$ 18,000</u>	<u>\$ 80</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>3,000</u>	<u>3,000</u>		
Unencumbered Cash, Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Parent Education Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 11,300	\$ 11,300	\$ 11,300	\$ -
Total Cash Receipts	<u>11,300</u>	<u>11,300</u>	<u>\$ 11,300</u>	<u>\$ -</u>
Expenditures				
Student support services	<u>11,300</u>	<u>11,300</u>	\$ 14,300	\$ 3,000
Total Expenditures	<u>11,300</u>	<u>11,300</u>	<u>\$ 14,300</u>	<u>\$ 3,000</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>3,000</u>	<u>3,000</u>		
Unencumbered Cash, Ending	<u>\$ 3,000</u>	<u>\$ 3,000</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Special Education Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous revenue	\$ 38,037	\$ 31,659	\$ 50,000	\$ [18,341]
Transfers in	<u>1,871,063</u>	<u>2,122,579</u>	<u>2,267,226</u>	<u>[144,647]</u>
Total Cash Receipts	<u>1,909,100</u>	<u>2,154,238</u>	<u>\$ 2,317,226</u>	<u>\$ [162,988]</u>
Expenditures				
Instruction	1,850,050	2,152,127	\$ 2,543,870	\$ 391,743
Transportation	<u>137,230</u>	<u>87,899</u>	<u>195,920</u>	<u>108,021</u>
Total Expenditures	<u>1,987,280</u>	<u>2,240,026</u>	<u>\$ 2,739,790</u>	<u>\$ 499,764</u>
Receipts Over [Under] Expenditures	[78,180]	[85,788]		
Unencumbered Cash, Beginning	<u>500,744</u>	<u>422,564</u>		
Unencumbered Cash, Ending	<u>\$ 422,564</u>	<u>\$ 336,776</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Vocational Education Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ -	\$ 7,334	\$ -	\$ 7,334
Tuition	218,440	204,814	250,000	[45,186]
Miscellaneous revenue	30,838	10,136	10,000	136
Transfers in	<u>407,039</u>	<u>416,115</u>	<u>407,288</u>	<u>8,827</u>
Total Cash Receipts	<u>656,317</u>	<u>638,399</u>	<u>\$ 667,288</u>	<u>\$ [28,889]</u>
Expenditures				
Instruction	548,352	530,647	\$ 591,500	\$ 60,853
School administration	42,698	43,509	44,660	1,151
Operations and maintenance	<u>65,267</u>	<u>64,243</u>	<u>211,128</u>	<u>146,885</u>
Total Expenditures	<u>656,317</u>	<u>638,399</u>	<u>\$ 847,288</u>	<u>\$ 208,889</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>180,000</u>	<u>180,000</u>		
Unencumbered Cash, Ending	<u>\$ 180,000</u>	<u>\$ 180,000</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Gifts and Grants Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Federal aid	\$ 585	\$ -	\$ -	\$ -
State aid	13,174	-	-	-
Miscellaneous receipts	22,643	95,635	50,000	45,635
Total Cash Receipts	<u>36,402</u>	<u>95,635</u>	<u>\$ 50,000</u>	<u>\$ 45,635</u>
Expenditures				
Instruction	42,637	29,735	\$ 76,591	\$ 46,856
Student support services	1,355	2,538	-	[2,538]
Instructional support staff	3,048	4,579	-	[4,579]
Food service operations	542	245	-	[245]
Facility acquisition and construction	-	15,482	49,463	33,981
Total Expenditures	<u>47,582</u>	<u>52,579</u>	<u>\$ 126,054</u>	<u>\$ 73,475</u>
Receipts Over [Under] Expenditures	[11,180]	43,056		
Unencumbered Cash, Beginning	<u>37,234</u>	<u>26,054</u>		
Unencumbered Cash, Ending	<u>\$ 26,054</u>	<u>\$ 69,110</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
KPERS Special Retirement Contribution Fund  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 874,322	\$ 761,985	\$ 857,051	\$ [95,066]
Total Cash Receipts	<u>874,322</u>	<u>761,985</u>	<u>\$ 857,051</u>	<u>\$ [95,066]</u>
Expenditures				
Instruction	874,322	761,985	\$ 609,995	\$ [151,990]
Student support services	-	-	50,000	50,000
Instructional support services	-	-	40,000	40,000
General administration	-	-	22,056	22,056
School administration	-	-	45,000	45,000
Other support services	-	-	10,000	10,000
Operations and maintenance	-	-	35,000	35,000
Food service	-	-	20,000	20,000
Transportation	-	-	25,000	25,000
Total Expenditures	<u>874,322</u>	<u>761,985</u>	<u>\$ 857,051</u>	<u>\$ 95,066</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Federal Grant Funds  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013

	Title I	Safe Schools Healthy Students	Title I Migrant	Other Grants	Actual	Budget	Variance Over [Under]
Cash Receipts							
Federal aid	\$ 153,853	\$ 757,775	\$ 910,446	\$ 68,994	\$ 1,891,068	\$ 1,133,948	\$ 757,120
Miscellaneous	-	-	-	-	-	900,000	[900,000]
Total Cash Receipts	<u>153,853</u>	<u>757,775</u>	<u>910,446</u>	<u>68,994</u>	<u>1,891,068</u>	<u>\$ 2,033,948</u>	<u>\$ [142,880]</u>
Expenditures							
Instruction	153,853	-	-	30,022	183,875	\$ 315,000	\$ 131,125
Student support services	-	563,000	895,811	-	1,458,811	1,476,700	17,889
Instructional support staff	-	10,383	-	-	10,383	167,248	156,865
General administration	-	113,737	14,635	-	128,372	-	[128,372]
School administration	-	-	-	38,972	38,972	-	[38,972]
Operations and maintenance	-	70,655	-	-	70,655	75,000	4,345
Total Expenditures	<u>153,853</u>	<u>757,775</u>	<u>910,446</u>	<u>68,994</u>	<u>1,891,068</u>	<u>\$ 2,033,948</u>	<u>\$ 142,880</u>
Receipts Over [Under] Expenditures	-	-	-	-	-		
Unencumbered Cash, Beginning	-	-	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Contingency Reserve Fund \*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>229,500</u>	<u>229,500</u>
Unencumbered Cash, Ending	<u>\$ 229,500</u>	<u>\$ 229,500</u>

\* This fund is not required to be budgeted.



EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Textbook and Student Material Revolving Fund \*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Miscellaneous receipts	\$ 58,004	\$ 47,382
Total Cash Receipts	<u>58,004</u>	<u>47,382</u>
Expenditures		
Instruction	<u>56,683</u>	<u>48,913</u>
Total Expenditures	<u>56,683</u>	<u>48,913</u>
Receipts Over [Under] Expenditures	1,321	[1,531]
Unencumbered Cash, Beginning	<u>40,589</u>	<u>41,910</u>
Unencumbered Cash, Ending	<u>\$ 41,910</u>	<u>\$ 40,379</u>

\* This fund is not required to be budgeted.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Bond and Interest Fund #1  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,323,102	\$ 1,297,869	\$ 1,229,870	\$ 67,999
Delinquent taxes	16,452	15,787	23,214	[7,427]
Motor vehicle taxes	146,468	160,101	158,071	2,030
Recreational vehicle taxes	2,233	2,307	2,215	92
Big truck taxes	2,962	2,549	-	2,549
State aid	1,375,516	1,376,446	1,366,440	10,006
Federal tax credit	127,531	127,531	127,531	-
Miscellaneous receipts	38,341	1,834	70,000	[68,166]
Transfer in	<u>3,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>3,036,062</u>	<u>2,984,424</u>	<u>\$ 2,977,341</u>	<u>\$ 7,083</u>
Expenditures				
Principal	255,000	260,000	\$ 260,000	\$ -
Interest and other bond charges	<u>3,110,085</u>	<u>2,814,138</u>	<u>2,824,851</u>	<u>10,713</u>
Total Expenditures	<u>3,365,085</u>	<u>3,074,138</u>	<u>\$ 3,084,851</u>	<u>\$ 10,713</u>
Receipts Over [Under] Expenditures	[329,023]	[89,714]		
Unencumbered Cash, Beginning	<u>1,876,860</u>	<u>1,547,837</u>		
Unencumbered Cash, Ending	<u>\$ 1,547,837</u>	<u>\$ 1,458,123</u>		

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Bond and Interest Fund #2  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	\$ 807	\$ -	\$ -	\$ -
Investment income	-	-	1,000	[1,000]
Total Cash Receipts	<u>807</u>	<u>-</u>	<u>\$ 1,000</u>	<u>\$ [1,000]</u>
Expenditures				
Interest and other bond charges	-	807	\$ 1,807	\$ 1,000
Transfer out	<u>3,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,457</u>	<u>807</u>	<u>\$ 1,807</u>	<u>\$ 1,000</u>
Receipts Over [Under] Expenditures	[2,650]	[807]		
Unencumbered Cash, Beginning	<u>3,457</u>	<u>807</u>		
Unencumbered Cash, Ending	<u>\$ 807</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2013

<u>FUND</u>	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Eudora Elementary School:				
Library	\$ 1,173	\$ 272	\$ 1,049	\$ 396
Drama club	-	1,249	28	1,221
Principal's council	4,057	5,891	3,558	6,390
Polor express	707	1,218	621	1,304
Music	387	948	513	822
Deffenbaugh	150	-	-	150
Science fair	47	244	135	156
Pepsi	256	118	-	374
Total Eudora Elementary Activity Funds	<u>6,777</u>	<u>9,940</u>	<u>5,904</u>	<u>10,813</u>
Eudora Middle School				
Cardinal club	1,907	5,727	4,821	2,813
Dance club	163	252	275	140
Reading club	2,453	3,222	2,792	2,883
Pep club	523	2,865	3,125	263
Pepsi	664	227	495	396
Scrapbooking club	127	-	34	93
Special Ed Store	451	-	165	286
Student council	9,882	27,006	20,397	16,491
6th grade field trip	12	5,000	1,254	3,758
Total Eudora Middle School Activity Funds	<u>16,182</u>	<u>44,299</u>	<u>33,358</u>	<u>27,123</u>
Eudora High School				
Activity 101	7,372	13,334	12,109	8,597
Autocollision Skills USA	8,016	7,949	10,537	5,428
Band club	1,193	7,786	5,521	3,458
Baseball club	1,665	5,490	6,427	728
Boys basketball club	175	2,141	1,553	763
Candor	-	229	51	178
Cardinal club	527	-	400	127
Cheer and dance festival	644	1,087	1,120	611
Cheerleader	1,950	13,340	14,148	1,142
Chess club	50	-	-	50
Choir	2,510	13,471	10,155	5,826
Class of 2012	1,350	20	1,370	-
Class of 2013	6,728	29,461	35,491	698
Class of 2014	2,295	6,190	3,308	5,177
Class of 2015	195	1,725	-	1,920
Class of 2016	-	1,695	-	1,695
Close-up club	242	-	-	242
Concessions	5,973	25,519	29,640	1,852
Cross country	2,217	10,663	10,589	2,291
Subtotal Eudora High School Activity Funds	<u>43,102</u>	<u>140,100</u>	<u>142,419</u>	<u>40,783</u>

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2013

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Eudora High School				
Culinary arts	\$ 2,009	\$ 13,264	\$ 14,997	\$ 276
Dance team	1,305	6,732	7,497	540
Drafting	66	551	210	407
Drama club	889	-	-	889
Driver's education	50	9,200	9,250	-
Economics class	177	-	-	177
Entrepreneur club	454	2,790	2,109	1,135
Environmental club	318	-	-	318
F.B.L.A.	719	9,740	8,364	2,095
F.C.A.	123	269	309	83
FCCLA	530	-	-	530
F.F.A.	50	15,307	14,249	1,108
Football	20	12	-	32
Forensics/Debate	203	-	-	203
Garden	-	1,000	416	584
Girls basketball	940	3,723	3,478	1,185
Graphic Comm. Skills USA	2,876	10,706	8,089	5,493
Health careers	618	7,095	5,008	2,705
International club	865	667	686	846
Journalism	6,807	11,721	5,548	12,980
KSHSAA Music Festival	-	3,560	3,501	59
Library fund	521	170	134	557
Life skills class	226	89	-	315
Marketing class	886	6,033	5,292	1,627
NHS	455	3,695	4,055	95
Pep club	167	-	-	167
Play	1,773	4,375	3,282	2,866
SADD	1,004	2,748	422	3,330
Scholars bowl	961	758	788	931
Scholarships	1,900	2,850	2,400	2,350
Senior advisory committee	1,463	3,563	1,363	3,663
Soccer	4,989	744	1,686	4,047
Softball	3,617	4,827	4,255	4,189
Spanish class	23	-	23	-
Student council	1,288	3,626	3,484	1,430
Testing fees	73	555	504	124
Textbook	872	480	266	1,086
Track	440	254	328	366
Video club	3,083	4,127	6,248	962
Volleyball club	413	8,378	6,869	1,922
Woodshop	2,656	7,420	7,573	2,503
Wrestling	1,582	1,054	2,120	516
Total Eudora High School Activity Funds	<u>90,513</u>	<u>292,183</u>	<u>277,222</u>	<u>105,474</u>
Total All School Activity Funds	113,472	346,422	316,484	143,410
Payroll Clearing	<u>1,344</u>	<u>65,225</u>	<u>64,512</u>	<u>2,057</u>
Total Agency Funds	<u>\$ 114,816</u>	<u>\$ 411,647</u>	<u>\$ 380,996</u>	<u>\$ 145,467</u>

See independent auditor's report on the financial statements.

## SCHEDULE 4

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
 District Activity Funds  
 Schedule of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2013

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>District activity funds:</u>							
Eudora High School							
Revolving gate entry	\$ -	\$ -	\$ 54,314	\$ 54,314	\$ -	\$ -	\$ -
Users fees	-	-	8,698	8,698	-	-	-
Sales tax	-	-	11,386	11,386	-	-	-
Total Eudora High School	-	-	74,398	74,398	-	-	-
Eudora Middle School							
Revolving gate entry	-	-	11,929	11,929	-	-	-
Users fees	-	-	8,221	8,221	-	-	-
Sales tax	-	-	4,662	4,662	-	-	-
Total Eudora Middle School	-	-	24,812	24,812	-	-	-
Eudora Elementary School							
Users fees	-	-	410	410	-	-	-
Sales tax	-	-	212	212	-	-	-
Total Eudora Elementary School	-	-	622	622	-	-	-
Total All Schools	-	-	99,832	99,832	-	-	-
<u>District (fee collection and activity fund):</u>							
Activity fund	77,135	-	64,391	126,709	14,817	-	14,817
Fee collection fund	8,235	-	-	8,235	-	-	-
Total District	85,370	-	64,391	134,944	14,817	-	14,817
Total All Funds	\$ 85,370	\$ -	\$ 164,223	\$ 234,776	\$ 14,817	\$ -	\$ 14,817

See independent auditor's report on the financial statements.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Safe and Drug Free Schools and Communities Passed Through State Department of Education:	84.184	\$ -	\$ 757,200	\$ 757,200	\$ -
Title I Grants to Local Educational Agencies	84.010	-	153,853	153,853	-
Title I Migrant	84.011	-	906,947	906,947	-
Improving Teacher Quality State Grants	84.367	-	30,022	30,022	-
Safe and Drug Free Schools and Communities	84.184	-	<u>38,972</u>	<u>38,972</u>	-
Total U.S. Department of Education			<u>1,886,994</u>	<u>1,886,994</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	59,861	59,861	-
National School Lunch Program	10.555	-	295,989	295,989	-
Federal School Food Service	10.560	-	1,000	1,000	-
Team Nutrition Training	10.574	-	<u>250</u>	<u>250</u>	-
Total U.S. Department of Agriculture			<u>357,100</u>	<u>357,100</u>	
Total Expenditures of Federal Awards			<u>\$ 2,244,094</u>	<u>\$ 2,244,094</u>	

The accompanying notes are an integral part of this schedule.

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Eudora Unified School District No. 491. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas statutory basis of accounting which includes cash disbursements, accounts payable and encumbrances.



EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified - Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?

\_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?

\_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with section 510(a)  
of Circular A-133?

\_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.011

Title I Migrant

Dollar threshold used to distinguish between  
type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  X   Yes \_\_\_\_\_ No

EUDORA UNIFIED SCHOOL DISTRICT NO. 491  
Schedule of Findings and Questioned Costs - Continued  
For The Year Ended June 30, 2013

Section II - Financial Statement Findings

Current Year Findings

None noted

Prior Year Findings

None noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None noted

Prior Year Findings

None noted

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education  
Eudora Unified School District No. 491  
Eudora, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, and the Kansas Municipal Audit and Accounting Guide issued by the Comptroller General of the United States, the financial statements of the Eudora Unified School District No. 491 (the District), Eudora, Kansas as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 10, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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However we noted certain other matters that we reported to management of Eudora Unified School District No. 491, Eudora, Kansas, in a separate letter dated October 10, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Houser: Company PA

October 10, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Eudora Unified School District No. 491  
Eudora, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the Eudora Unified School District No. 491, Eudora, Kansas (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mike Houser: Company PA*

October 10, 2013